

County Trends



Duchesne

June 2003

A Local Economic Perspective

Duchesne County 2002: Economy Treading Water

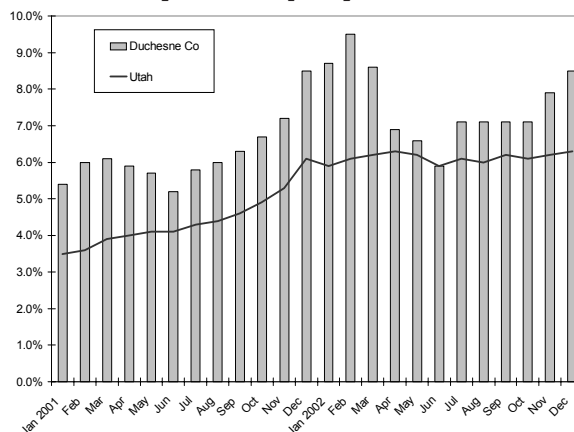
After enjoying strong growth in 2000 and 2001, Duchesne County's economy was at a standstill in 2002. Mining, trucking and manufacturing all struggled, putting the breaks on economic growth. Duchesne County's current unemployment rate for April 2003 is 7.9 percent, well above the state's rate of 5.3 percent.

Job Growth Gets Weaker

Nonfarm jobs in Duchesne County weakened further during the third and fourth quarters of 2002. Year-over third quarter jobs rose a scant 0.9 percent, while fourth quarter jobs slipped into negative territory falling 0.8 percent. Oil and gas mining continued to lose jobs in the third and fourth quarters. In the fourth quarter of 2002, mining jobs were down by more than 50.

The decrease in oil and gas jobs was related to depletion and cutbacks in exploration, as energy companies dealt with corporate consolidation and strong overseas pressure. Construction lost jobs as well, particularly for heavy construction (roads, bridges, etc.) and special trade workers. Building construction for homes and commercial structures was the lone bright spot. Machinery manufacturing jobs also declined.

Seasonally Adjusted Duchesne County Unemployment Rates



Source: Utah Department of Workforce Services.

Monthly Nonfarm Employment in Duchesne County, 1989-2002

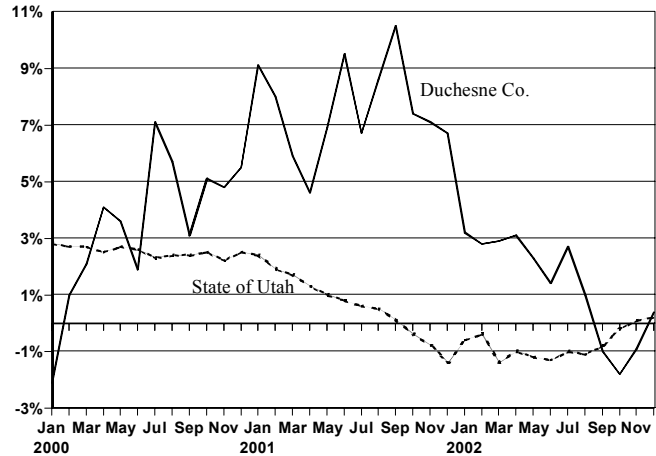


Source: Utah Department of Workforce Services.





Year-Over Change in Duchesne County Employment



Source: Utah Department of Workforce Services.

To the Point

Nonfarm job growth in Duchesne County continued to weaken during the last six months of 2002. The pressure from the recession and energy company mergers and consolidations combined to slow development of oil and gas resources. Trade also suffered job losses at merchandise and building goods stores. Surprise growth occurred in eating and drinking places and lodging establishments.

The service-producing industries, which include trade, transportation, information, recreation, lodging and food services, managed to show some slight growth during the last half of 2002. The big gains were in food services and accommodations. Public health jobs rose as well. Government positions increased at the federal, state, and local levels. Telecommunications added around 20 positions. Retail trade jobs faltered with losses in general merchandise and building stores.

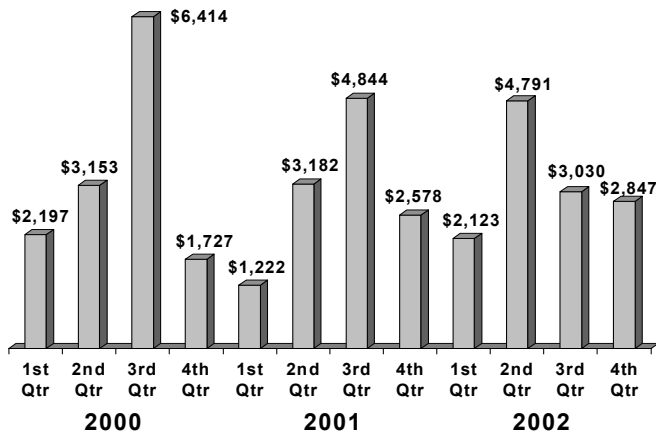
Job losses also hit trucking, social assistance, professional services, and financial and real estate activities.

Construction Slows

Year-over construction activity, as measured by permit authorizations, fell during the last six months of 2002. The total valuation of construction slipped 21 percent. However, residential valuations rose a scant 0.8 percent. New dwelling units were down 8 percent, but single-family home starts increased 2 percent.

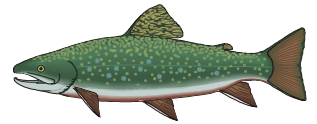
Duchesne County Total Construction Permit Valuation

3



(Thousands of dollars)

Source: Utah Bureau of Economic & Business Research.



Nonresidential valuations plunged 74 percent. The value of renovation work was also down 13 percent.

Sales Continue to Struggle

Year-over gross taxable sales remained weak during the third (-13.7%) and fourth quarters (-8.2%) of 2002. Mining, communications, electric and gas sales were all down in sales. Retail trade sales showed general weakness in most categories but particularly at food stores and auto dealers. Declines in business services, repair services, and lodging dropped services sales revenues.

Outlook for 2003

The outlook for Duchesne County depends upon how quickly the corporate consolidation of energy companies transpires. If it occurs quickly then the outlook brightens; if it continues to move slow look for weak growth to continue.

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Quick Facts

April 2003

Unemployment Rate

Duchesne County	7.9%
Utah	5.3%
U.S.	6.0%

Dec 2002 Change from Previous Year

Job Growth

Duchesne County	0.4%
Utah	0.2%
U.S.	-0.2%

4th Qtr 2002 Change from Previous Year

Construction Values

Duchesne County	-20.8%
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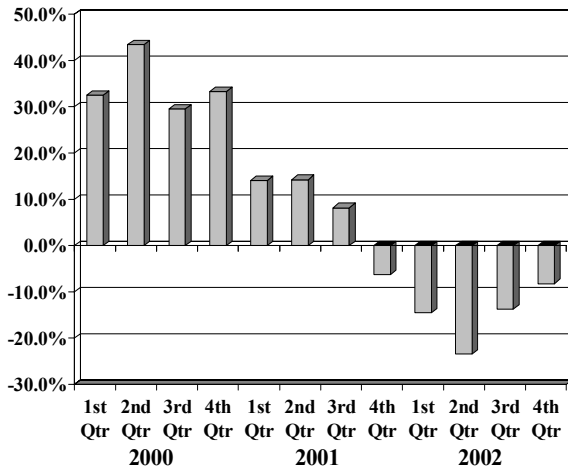
Sales

Duchesne County	-8.2%
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Source: Utah Dept of Workforce Services,
Bureau of Labor Statistics,
Utah Tax Commission,
Bureau of Econ & Business Research.

For more economic information about Duchesne County see:
<http://jobs.utah.gov/wi/Regions/County.asp>

Year-Over Change in Duchesne County Gross Taxable Sales



Source: Utah Tax Commission.

The mission of the Utah Department of Workforce Services is to provide quality, accessible, and comprehensive employment-related and supportive services responsive to the needs of employers, job seekers, and the community.

What's Up? ⁴

- The Central Utah Water Conservancy District accepted a \$5.6 million bid to construct a diversion structure – the first phase of the \$50 million doubling of the Sandwash Reservoir storage project. The diversion structure will be completed in 2004. It will take five years to complete the entire project.
- The Duchesne School Board approved the allocation of an additional \$1.1 million to construct an additional six classrooms for the new Duchesne High School currently under construction.

For more economic events, see:
<http://jobs.utah.gov/wi/Regions/eastern/duchesne/duchesneee.pdf>



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